



Director of  
Central  
Intelligence

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# National Intelligence Daily

**Saturday  
7 April 1984**

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**IRAN-IRAQ:****Military Activity**

***Iran is sending more forces to the front as Baghdad rapidly strengthens its defenses near Al Basrah.*** [REDACTED]

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The Iranian press reports that Iran is mobilizing large numbers of additional irregulars for the front. [REDACTED]

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[REDACTED] many of them will have little or no equipment or training. [REDACTED]

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[REDACTED] Iraq is building new strongpoints and fortifications south of Al Basrah along the Shatt al Arab. [REDACTED]

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[REDACTED] shows Iranian positions on the southern Majnoon Island have been flooded by the Iraqis, and several Iranian vehicles are trapped in the high water. [REDACTED]

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**Comment:** Baghdad apparently believes the attack may be launched soon and is concentrating on strengthening the defenses along the flanks of its forces east of Al Basrah. Iran has enough forces in place on the Al Basrah front to launch an offensive at any time. The callup of irregulars suggests, however, that Tehran believes it needs more manpower before it tries to break through Iraq's formidable defenses at Al Basrah. [REDACTED]

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The concentration of Iran's forces on the Al Basrah front and in the Majnoon Islands area suggests they continue to plan the main attack there. The Iranians also are likely to wait, however, until the flooding

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subsides before launching the attack.

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**DIA Comment**

DIA believes that Iranian forces are fully prepared to launch the offensive. The additional Iranian militia could be part of a phased reinforcement anywhere along the front. It is unlikely that the main attack is planned to cross the flooded approaches opposite the extensive Iraqi defenses north of Al Basrah. The planning suggests attacks along the less heavily defended flanks of Iraqi III Corps at Al Basrah and against IV Corps at Al Amarah.

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**EL SALVADOR:****Military Supply Problems**

***The high level of fighting during the past few months and aggressive offensive action by government forces to prevent guerrillas from disrupting the presidential elections are rapidly depleting the military's supplies of ammunition and weapons.***

[redacted]

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The US Embassy reports that stocks of rifle and mortar ammunition and grenades will be exhausted by mid-May. These stocks could be exhausted sooner if the fighting increases before the election. An emergency shipment of bombs and rockets for the Air Force, which is scheduled to arrive next week, will ease that service's critical shortage for a few months. [redacted]

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In addition, the Embassy reports that a shortage of rifles, machineguns, mortars, and basic military equipment will prevent the Army from forming additional units or even replacing damaged or lost items. A continued shortage of boots and rain ponchos will hurt troop performance in the field during the summer rainy season. A similar lack of equipment during the campaign last summer for control of San Vicente Department caused more soldiers to be put out of action by weather-related illnesses than by insurgent attacks. [redacted]

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Meanwhile, Army troops continue their sweeps against insurgent strongholds. The US defense attache reports the insurgents suffered nearly 50 casualties and lost several vehicles during a recent operation near Ciudad Barrios in San Miguel Department. The Army also is conducting an offensive against insurgent positions on the Guazapa Volcano, north of the capital. [redacted]

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**Comment:** Government forces probably have enough supplies to keep the guerrillas from seriously disrupting the runoff election. [redacted]

[redacted]

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**IRAN:****Tudeh Beginning To Regroup**

***Remnants of the Tudeh Communist Party, which has been decimated by the Khomeini regime over the past year, have begun to reorganize.*** [redacted]

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The government arrested Tudeh leaders and hundreds of party members in 1983. The small number of those involved in subverting the military have been sentenced or executed. Top party leaders have been forced to confess repeatedly on television but have not yet been tried. [redacted]

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The US Embassy in Kabul reports that several thousand Tudeh members are in Afghanistan. [redacted]

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Recent Turkish press reports, citing diplomats in Tehran, claim Iranian security forces believe the Armenian terrorists who attacked Turkish representatives in Tehran late last month were linked with the Tudeh Party. [redacted]

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**Comment:** The rump Tudeh that survives is badly factionalized. It can stage only isolated incidents. [redacted]

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**WESTERN EUROPE- Resolution on Arms Cooperation  
US:**

***Representatives of European members of NATO passed a resolution this week pledging support for the US proposal to cooperate in developing and producing advanced weapons in exchange for US procurement of more West European-produced military equipment.*** [redacted]

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The resolution passed by the Independent European Program Group—a body formed by France and the other European NATO members in 1976 to promote arms cooperation—stresses that European firms have to have an important share in producing defense equipment, if the US initiative on emerging technologies is to receive European backing. At the meeting the chairman of the group emphasized the need for effective cooperation in order to make West European firms competitive with US manufacturers. [redacted]

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**Comment:** Although the resolution supports the US initiative on emerging technologies, it reflects continued suspicion that the US intends to use the program to promote the sale of US equipment. The Europeans probably expect that a positive US response to their resolution will strengthen support in Europe for the US program.

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The state secretaries of the defense ministries in the group meet regularly but normally receive little attention. The group is becoming increasingly influential, however, in light of French and West German interest in finding forums to coordinate West European policies.

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**MOZAMBIQUE-  
SOUTH AFRICA:****Status of Relations**

***Maputo and Pretoria appear to be satisfied with the implementation of their nonaggression pact, despite lingering mutual suspicions.***

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The US Embassy in Maputo reports that Mozambican officials were surprised by the number of ANC members and the quantity of arms discovered during recent raids on the group's facilities in Mozambique. The ANC publicly claimed yesterday that Maputo had ordered its members either to move to UN refugee camps or to leave the country.

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Mozambican officials doubt that South Africa is pursuing its commitments with equal vigor. They acknowledge that South African supply flights to the Mozambican National Resistance appear to have ceased, as have radio communications. Maputo, however, is disturbed by Pretoria's reluctance to divulge the location of the insurgent's arms caches in Mozambique.

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The Embassy reports the most important unresolved security issue is Mozambique's refusal to agree to a joint military monitoring presence in each country. It adds, however, that the inaugural session of the joint military commission on 26 March went well and that sources in Maputo believe verification issues can be resolved at the next meeting on Wednesday.

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Efforts to expand economic cooperation also are under way. A South African business conglomerate plans to make a large investment in hotel construction, and a major oil company has reversed its decision to leave Mozambique. Portuguese officials say an agreement providing for regular payments by South Africa for power from the Cahora Bassa hydroelectric project should be signed by Portugal, Mozambique, and South Africa by the end of the month. The Portuguese say the agreement could provide Mozambique with substantial hard currency earnings.

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**Comment:** Maputo's actions against the ANC reflect its commitment to make the accord succeed. It wants to obtain economic help and a reduction in insurgent pressure. Pretoria also appears committed to take the steps necessary to preserve the detente with Mozambique, which is a diplomatic triumph for South Africa's regional policy.

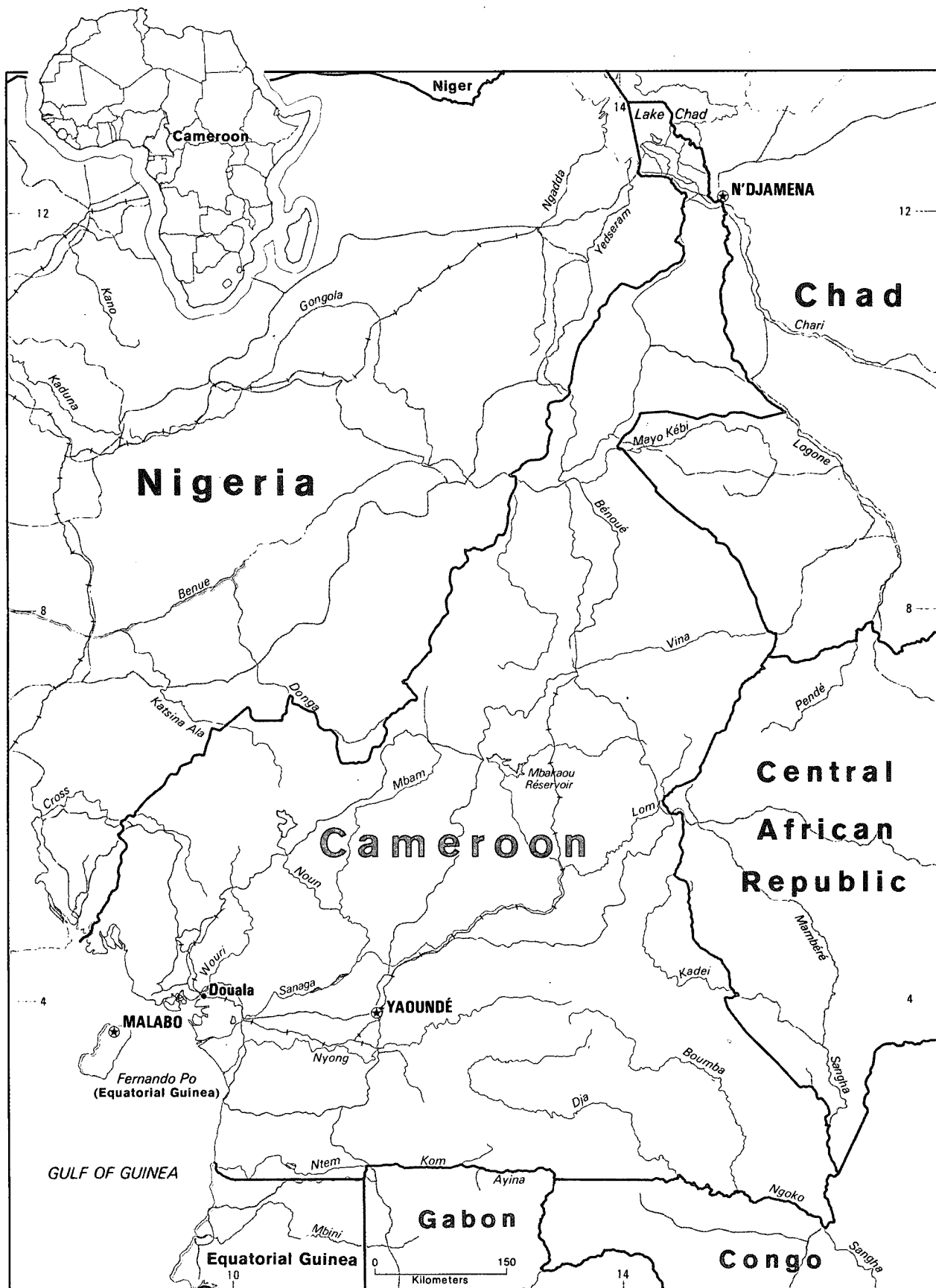
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**CAMEROON:****Fighting Continues in Capital**

***The situation remained confused late yesterday as dissidents in the military and Army forces loyal to President Biya battled for the capital city of Yaounde.*** [REDACTED]

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The US Embassy reports that American citizens are safe so far but that some are located near areas of heavy fighting. The Embassy has been hit by shellfire but does not appear to be a target. [REDACTED]

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Press and Embassy reports indicate the fighting is limited largely to the capital. Cameroon radio in Yaounde has been on and off the air since the attempt began early yesterday and appears to have been controlled by both sides. [REDACTED]

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There is no evidence of outside involvement in the fighting. According to press and Embassy reports, the insurgents may be northern soldiers of the presidential Republican Guard who moved after hearing that Biya, a southerner, planned to reassign large numbers of their unit. [REDACTED]

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Some reports indicate that Biya is being held by the insurgents, while others suggest he may be outside the capital. The US Consulate in Douala reports that troops in Yaounde who are loyal to Biya are being reinforced and supplied from Douala. [REDACTED]

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**Comment:** It is not clear how much support the insurgents have. Troops stationed outside the capital may hold the balance, and the rebels in Yaounde could find themselves increasingly isolated and outmanned if outlying forces rally to Biya's side. [REDACTED]

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The breach opened between northern troops upset over their loss of influence and southern soldiers will be difficult to heal. The southerners believe their turn in power had come after 22 years of rule by former President Ahidjo, a northerner. The winning side will need to give first priority to reestablishing a regional and ethnic balance, if new violence is to be prevented. [REDACTED]

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**IRAQ-IRAN: Iraqi Propaganda Windfall**

Baghdad will use the defection of Ali Tehrani, a well-known Iranian cleric, to counteract Iranian propaganda calling for an uprising among Iraqi Shias. The Iraqi news service announced yesterday that Tehrani had fled Iran. He is to appear on Iraqi television to discuss conditions in Iran. Tehrani, a persistent critic of the Khomeini regime, is the brother-in-law of Iranian President Khamenei. [REDACTED]

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**Comment:** Tehrani does not have enough clerical seniority or the popular following to sway Iranian opinion against the government. His escape, however, raises the possibility that a safe route has been established and that more senior clerics opposed to Khomeini will follow him. [REDACTED]

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**HUNGARY: Economic Reforms**

Hungarian officials have told the US Embassy that some of the new economic reforms, which are likely to be presented for approval at a party plenum in mid-April, already have been watered down. Nonetheless, central planners close to the proposals say that the reforms will give workers more voice in the selection of managers, and managers more freedom to determine prices, wages, and investment. The proposals are complex, and some party leaders are concerned about popular reaction to possible higher prices and job losses. Budapest also sees a need to persuade its allies that its search for greater economic efficiency will not undermine the party's authority. [ ]

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**Comment:** The introduction of other innovative changes in the banking system and tax structure probably will be postponed until 1986 to synchronize them with the goals in the plan for 1986-90. [ ]

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**USSR-KAMPUCHEA: Delivery of Patrol Craft**

[ ]  
Soviet arms carrier has delivered a hydrofoil patrol craft and two patrol boats to the Kampuchean port of Kampong Saom. The USSR exports about two of these hydrofoils each year from Vladivostok, all of which until now have gone to Cuba. [ ]

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**Comment:** The hydrofoil received in Kampuchea is not fitted with torpedo tubes like all previous exports, but its twin 57-mm and 25-mm guns would be adequate for most patrol duties in the Gulf of Thailand. The patrol craft may augment Kampuchea's small naval force or the Vietnamese naval forces stationed there. They could be effective for intercepting refugees, smugglers, and fishing vessels, and countering infiltration by antigovernment forces. [ ]

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**In Brief**

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**Asia**

- Progress unlikely when **North Koreans** and **South Koreans** meet on Monday at Panmunjom to discuss forming joint Olympic team ... P'yongyang will balk if Seoul raises the bombing incident in Rangoon last October. [ ] 25X1
- **China** and **South Korea** making unprecedented exchanges of sports teams ... Chinese evidently paving way to take part in Asian Games in 1986 and Olympics in 1988 ... **North Korea** probably resigned as long as contacts are nonpolitical. [ ] 25X1
- **Indian** Prime Minister Gandhi going to **Libya** and **Tunisia** this weekend ... responding to Nonaligned Movement pressure to mediate war ... little success anticipated. [ ] 25X1
- **Iran's** Foreign Minister goes to **Japan** for official visit next week ... discussions will be on trade imbalances and Iran's request for aircraft and radars ... Tokyo does not want to offend Tehran by acting as a mediator in the war. [ ] 25X1

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**Special Analysis****THAILAND:****Prem's Political and Economic Problems**

*Prime Minister Prem, who arrives in Washington next week, has held the position longer than anyone else in the past decade. Nonetheless, he faces serious political and economic challenges that could threaten the stability of his coalition government. At the same time, the Vietnamese incursion into Thailand last month has intensified concern about the presence of Vietnamese troops along Thailand's eastern border. To strengthen his position at home, Prem will seek increased US security assistance and expanded trade and investment relations.*

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Since assuming office in March 1980, Prem has survived an attempted coup, four major cabinet shuffles, a no-confidence vote by the opposition party, and a divisive argument between civilian politicians and military officers over major revisions to the constitution.

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The ability of Prem to remain in office in the face of what appears to be almost constant political turmoil rests on the support of the popular King and of the military—particularly Army Commander in Chief General Athit. Athit wants to succeed Prem at some point, however

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The King apparently feels that in the near term Prem is the best choice for prime minister.

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**Economic Pressure**

Prem's position has been strengthened by steady economic growth, which has averaged 7 percent annually over the last two decades. Now, however, a \$3.9 billion foreign trade deficit is forcing the government to consider a politically controversial currency devaluation. Since last October Prem also has been coping with a domestic financial crisis that was precipitated when three domestic finance companies went bankrupt.

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A tighter monetary policy imposed last December to slow an outflow of foreign exchange reserves resulted in higher interest rates that placed more finance companies in jeopardy and also slowed the domestic economy. Moreover, Prem's efforts to abide by his promise to the IMF to reduce government subsidies to unprofitable state enterprises have prompted public-sector labor unions—the country's strongest—to threaten to strike.

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Prem's active courting of foreign investment to promote Thailand's development and to ease its balance-of-payments problems also has high political costs. Increased foreign participation in the economy

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would endanger the interests of senior military officers. Many officers supplement their salaries through membership on the boards of directors of private Thai companies and state enterprises. [ ]

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### **Agenda in Washington**

The US Embassy reports that Prem expects his second working visit to Washington in four years will improve his prestige at home by serving as a reminder of his experience in foreign affairs and his role in personifying political continuity in Thailand. [ ]

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In his meetings with US officials, Prem probably will discuss resettlement of Indochinese refugees living in Thailand, Bangkok's progress in antinarcotics campaigns, and other issues. Prem, however, will be most concerned with security. The Vietnamese incursion into Thailand late last month will encourage him to request increased military aid, more grant aid, and better terms for FMS loans. [ ]

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The Thai delegation also will seek increased US foreign investment and increased access for Thai products to US markets as a means of solving some of the country's balance-of-payments problems. It almost certainly will request better treatment under the US sugar quota, which cut Thai exports from 290,000 tons in 1982 to 39,000 tons last year. In addition, Prem's delegation is likely to protest the planned US tariff increase on imported tuna and request a relaxation of US requirements that limit imports of Thai shrimp and rice. [ ]

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### **Prem's Prospects**

The Thai leader has demonstrated an ability to survive serious challenges to his position. There is a chance that a cabinet shuffle—which may occur in the next month or so—will buy time for Prem by bringing the opposition party into the government. [ ]

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More important, Prem probably will retain Athit's crucial support, at least until the General retires next year. Nonetheless, Prem is likely to have to agree to Athit becoming a member of the cabinet—probably this year. At that point, Prem will become less valuable as an intermediary between the civilians and the military, and his influence over governmental affairs will gradually be eclipsed. [ ]

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### **INR Comment**

INR has no evidence to support the judgment that political and economic difficulties currently threaten the Prem government. In fact, Prem appears to have been in an unusually secure position for about a year and faces no imminent crises capable of toppling his rule. [ ]

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